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CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

DAILY DIGEST

Date: MAY 14 1951

- NOTE: 1. This summary of significant reports has been prepared primarily for the internal use of the Office of Current Intelligence. It does not represent a complete coverage of all current reports in CIA or in the Office of Current Intelligence.
2. Comments represent the preliminary views of the Office of Current Intelligence.
3. Marginal letter indications are defined as follows:
- "A" - items indicating Soviet-Communist intentions or capabilities
  - "B" - important regional developments not necessarily related to Soviet/Communist intentions or capabilities
  - "C" - other information indicating trends and potential developments

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SECTION 1 (SOVIET)

"A" EASTERN EUROPE. POLAND. Embassy Issues Emergency Instructions. [redacted] the Polish Embassy at Ankara has issued instructions to its personnel outlining the functions of each individual in the event of an outbreak of hostilities. [redacted]  
[redacted] COMMENT: No previous information is available concerning similar emergency instructions in other Polish diplomatic missions. It is likely that this report describes routine precautions. CINCNELM reported on 5 April 1951 that orders had been issued to all Polish merchant ships that, upon receipt of a certain radio signal, they were to leave German or Atlantic ports immediately and seek Russian or Polish territorial waters.

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"A" Unrest Reported in Coal Fields. US Embassy Warsaw reports that it has confirmed from several reliable sources that unrest, sabotage, and strikes are occurring in the Dabrowski coal region in southern Poland. The basis of this unrest is the coal miners' dissatisfaction at upward revised production norms and an increase in working hours from seven to a somewhat longer period. Although the miners are reported to have been forced to accept the new conditions, definite information is unavailable concerning the extent of unrest that may still exist. The Embassy points out that Polish coal production should be adversely affected by this development. The Embassy concludes that Polish coal exports to Western Europe may be curtailed since the Government will probably be unwilling to reduce the present tempo of its industrialization program. [redacted]

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COMMENT: This report of unrest among the coal miners, like the recent reports of strikes by dockworkers in Stettin, is indicative of the restiveness of the Polish population. A large measure of this unrest is traceable to the greatly reduced standard of living resulting from revaluation of the zloty last fall. The Polish Government, faced with deteriorating coal mining machinery and large commitments for foreign coal deliveries, has endeavored previously to increase coal production by making various concessions to the coal miners. In addition, Army recruits have been formed into labor battalions and used in the coal mines in an effort to maintain high production. Curtailment of Polish coal deliveries in Western Europe will reduce the amount of strategic materials Poland can obtain. Polish trade negotiations with Western European countries during the past six months have revolved in most cases around the question of what strategic materials Western Europe would barter for Polish coal.

"C" National Catholic Church Leader Dies. The Polish Ministry of Foreign Affairs has informed US Embassy Warsaw that Bishop Padewski, head of the Polish National Catholic Church and a US citizen, died in prison on 10 May 1951. [redacted] COMMENT: Padewski, who had strongly resisted the Polish Government's efforts to gain control of his sect, was taken into custody in mid-January by the Polish Security Police. Prior to Padewski's arrest, his assistant and 13 other priests were

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arrested, but were all released subsequently. The Church, which claims a membership of 50,000 in Poland, follows the Roman Catholic ritual, but does not recognize the Vatican authority. There is reason to believe that it has received some support from the Polish Government. On 6 March 1951 the Church held a National Congress in Poland at which it was agreed to sever ties with the parent organization in the US and to increase support of the Polish Six Year Plan.

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"C" THAILAND. Kach Remanded to Police. Lt. Gen. Kach, recently returned from his Hong Kong exile, has been officially remanded to police custody and a committee, headed by police General Phao, has been appointed to investigate his case. US Embassy Bangkok points out that while in jail Kach is at Phao's mercy and reports that an anti-Phao source has told the Embassy that Phao intends to kill Kach.

[ ] COMMENT: Kach's influence in the army represents a valuable political asset in a country where the military dominates the Government. It has been reported that Phao is ambitious to succeed Premier Phibun, and Kach may well become a pawn in any struggle for power between the two.

"C" Thai Control of Rubber Exports under Consideration. A high Thai official has assured US Embassy Bangkok that the Cabinet will approve the implementation of a plan to license rubber exports. Licensing is to be justified on the ground of protecting the supplies of traditional buyers, a ruse which will in effect place an embargo on rubber shipments to Communist-dominated countries.

[ ] COMMENT: There is no doubt of the Thai Government's sincerity in this matter, but the enforcement of licensing and the curtailment of the smuggling of rubber out of Thailand will be difficult.

"B" CHINA. Plight of American Community in Shanghai. A leader of the American community in Shanghai reports that "almost all" US nationals have decided that it is "useless" for them to remain longer in Communist China, and states that it is "futile" to attempt to protect US interests in Shanghai. This spokesman, believing that "almost all" Americans in Shanghai would leave if they could, suggests that the US Government consider attempting to arrange a mass evacuation of the approximately 100 Americans remaining in the city. However, US Con Gen Hong Kong doubts that the Communists would permit such a mass evacuation.

[ ] (a) [ ] the Shanghai spokesman is correct in his contention that almost all Americans would leave the city if they could, and (b) [ ] ConGen Hong Kong is also correct in concluding that the Communists would not permit a mass evacuation. While the majority of Americans now in Shanghai will probably be permitted to leave, unreasonable claims have been made against several, others have been arrested for "espionage," and further extravagant claims and arrests are expected.

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"B" KOREA. Isolated Enemy Raids and Interceptions Continue.

[redacted] isolated examples of enemy air attacks on UN ground troops, relate two incidents during late April in which UN troops near the 38th parallel were bombed and strafed by unidentified enemy aircraft (possibly TU-2s and conventional fighters) flying alone in the area. Night interceptions of UN aircraft over Pyongyang continued [redacted]

"B" North Korean I Corps Unable to Attack. A North Korean soldier from the 19th Division, North Korean I Corps, captured on 13 May northwest of Seoul, stated that neither his Corps nor the Chinese units to the east of his Corps would be able to attack prior to 19 May due to a lack of North Korean replacements. [redacted]

COMMENT: While these statements require further clarification before acceptance, it is entirely possible that a shortage of North Korean military replacements might be a delaying factor in a new attack by this Corps. It is improbable, however, that the powerful Chinese Communist forces also in the western sector would be forced to delay their attack because of a replacement shortage in a North Korean Corps.

"B" Three Chinese Communist Divisions Reported Moving Out of the Pyongyang Area.

[redacted] three unidentified Chinese Communist divisions, possibly from the 1st Field Army, which were reorganizing and reequipping in Pyongyang on 12 April, had arrived in the Hwachon area (in east central Korea) on 22 April. [redacted]

COMMENT: While FECOM believes that this report most probably concerns the forward movement of replacements, other possibilities are that (a) either the 38th, 50th or 66th Armies, all reported in Pyongyang during this period, has been returned to the front, or (b) that these units are elements of the 5th Army, 1st. Army Group, 1st. Field Army, tentatively identified on 20 April by a document from a unit subordinate to the 5th Army.

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"C" JAPAN. National Security Minister Proposed. The Tokyo Times reports that the Liberal Party Political Affairs Research Committee has prepared a draft bill which would create a National Security Minister as part of the Cabinet. The Minister would take charge of the National Rural Police, the local autonomous police, the National Police Reserve, the Maritime Safety Board and the National Security Investigation Board which is to be set up. ( )

COMMENT: With the local autonomous police and the Maritime Safety Board under the Local Autonomy Board, the National Police Reserve under the direct control of the Premier, the National Rural Police under the National Public Safety Commission, economic controls under the Economic Stabilization Board, and narcotics control under the Ministry of Welfare, effective coordination has been lacking. Although some recentralization of police power appears to be desirable from a security standpoint, the Liberal Party's plan is likely to be criticized by progressive elements as a step towards revival of the prewar-type political police.

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SECTION 3 (WESTERN)

"A" FRANCE. "Independent" Communists Outline Program. Darius LeCorre, in a press conference 11 May, stated that his "Independent" Communist Party will hold a mass meeting on 25 May in Paris when the principal points of the group's program will be defined. For the present, its domestic policy is for "co-management of enterprises" and its foreign policy for "general and simultaneous disarmament". He also announced that the group will present candidates in 30 departments and that the electoral campaign would be spearheaded by the formerly clandestine newspaper La Lutte. During the conference, thirty Communist hooligans broke up the meeting and beat up LeCorre so badly that he has been hospitalized. [REDACTED]

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COMMENT: This is the first Communist Party (PCF) attempt to use force against the new "independent" group, and is indicative of the seriousness with which the PCF regards the group. There is yet no indication that LeCorre's organization has achieved a mass following, and the PCF will probably maintain a firm discipline over its militants in order to minimize defections.

"C" ITALY. Magnani-Cucchi Movement to Support Christian Democrat-Dominated Coalition at Elections. The Movement of Italian Workers (MLI), headed by Magnani and Cucchi, has decided not to run candidates at the forthcoming local elections but to allow its members to support those candidates "nearest to its principles and program". [REDACTED]

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In certain localities its members are not opposed to affiliation even with the Christian Democrats in order to defeat the Stalinist Communists (PCI). Cucchi himself has reportedly been striving to achieve such an alliance at Bologna on the part of the Unitary Socialists (PSU) now merged into the new Socialist Party (PS-SIIS). [REDACTED]

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COMMENT: This is further official confirmation of previous indications that the Magnani-Cucchi movement is actively working for the defeat of the Communists. [REDACTED] MLI support of the electoral coalition of anti-Communist parties in Bologna and other nearby localities should improve the Government's chances of wresting from the PCI control of many municipalities in the region of Emilia.

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"B" VATICAN. Pope Appeals for "Social Peace". In a speech to some 50,000 workers gathered from Western Europe, Canada, the US and Brazil, Pope Pius appealed for "social peace" and collaboration among workers of all countries. The Pontiff spoke at St. Peter's in commemoration of the sixtieth anniversary of Pope Leo XIII's encyclical, De Rerum Novarum, which affirmed the social principles of the Roman Catholic Church. [REDACTED]

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[REDACTED] COMMENT: The Pope's speech could be interpreted as further indication of his growing interest in the achievement of social reform as a weapon against Communism. In view of this attitude on his part, it is to be expected that progressive forces in the Vatican will gain increasing impetus at the expense of conservative elements. Under Secretary of State Montini, for example, was recently reported to have suggested that the Spanish hierarchy urge the Franco Government to make certain needed concessions to the Spanish workers.

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"C" UNITED KINGDOM. Strategic Reserve Element Alerted for Possible Despatch to Persian Gulf. A war office spokesman, confirming the alerting of the 3000-man 16th Parachute Brigade for possible duty overseas within the next few days, stated that this was a routine warning and that the force was not under orders to go anywhere. The story was, however, carried by London's Monday newspapers alongside despatches about Iranian Premier Mossadeq taking refuge in the Parliament building in Tehran. [REDACTED]

[REDACTED] COMMENT: The 16th Independent Parachute Brigade Group element of the UK strategic reserve is colloquially known as "the Fire Brigade", and has been officially designated as first reserve for temporary reinforcement in an internal security role of any overseas theatre. Part of this brigade is at 14-days notice for airlift; the remainder at 28 days. This

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government move, which follows a statement in Parliament by Foreign Secretary Morrison that he would not hesitate to take appropriate action to protect British lives and property in Iran, is probably directed at both the Iranian Government and British public opinion but mainly at the latter, which has been becoming increasingly irritated at anti-British actions and statements by Middle Eastern governments.

"B" GUATEMALA. Pro-Communist Congress of Transport Workers. The Latin American congress of the International Federation of Transport Workers' Unions (IFTWU), an affiliate of the pro-Communist WFTU, opened in Guatemala City on 10 May. The potential importance of the meeting in setting the future labor line is suggested by the presence of leading Latin American pro-Communist labor leaders (such as Lombardo Toledano and Carlos Fernandez) and such European leaders as Louis Saillant, Alfonse Drouard, and Maurice Carroue. Representatives were present from Guatemala, Brazil, Chile, Costa Rica, Cuba, Ecuador, Honduras, Mexico, Panama, and El Salvador. The congress opened with the cooperation of the Guatemalan Government, and four Guatemalan cabinet ministers attended the initial session, at which Lombardo Toledano and Louis Saillant contrasted the "war policy of the US State Department and the peace policy of the Kremlin".

COMMENT: The transport workers' conference represents a significant effort by the WFTU to extend international Communist direction to the hitherto uncoordinated activities of workers in the strategic field of land and air transport in Latin America. An earlier radio news report indicates that the agenda includes discussion of work contracts, the right to strike, salaries, professional risks, the right of association and of international association, social insurance, housing, vacation and rest, and education—subjects which could be used by Communists to promote or prolong labor unrest.

"C" CHILE. Strike in Copper Industry. An illegal strike of steam shovel operators "for production bonus increases" has forced a complete shutdown of Anaconda's Chuquibambilla mine, the most extensive mining operation in Chile. President Gonzalez Videla has denounced as subversive the strike and the subsequent slowdown in smelter operations, while the Minister of Interior has ordered "full force" application of the Law for Defense of Democracy. Thirty workers, including union leaders, have been fired and others are under arrest. US Embassy Santiago points out that the "possibility of a strike of all employees and laborers threatening American mines and subsequently spreading to coal and nitrate mines cannot be discounted, but present indications are that this will not happen".

COMMENT: The President, who has assumed a strong stand on illegal strikes in the

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last ten days, is reportedly determined to break the strike. Early in April he informed leaders of the new Confederation of Copper Workers that they could expect nothing from the government out of the increase in the copper price, but that he would support "to the hilt" their demands on the companies for increased wages and benefits. Copper workers may be supported in their demands through action of the new confederation, and it is possible that the Chilean Government--anticipating increased benefits from copper as a result of US-Chilean negotiations--may feel inclined to require Anaconda to grant the present demand.

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14 May 1951

SECTION 1 (SOVIET)

"A" YUGOSLAVIA. US Embassy Sees Need for Formal Yugoslav Arms Request. US Ambassador Allen in Belgrade recommends that the US obtain a clear written request from the Yugoslav Government regarding its military requirements before Congress is asked for appropriations. Allen points out that the last official Yugoslav statement on the subject was press of 12 April, in which the Yugoslav Government admitted only that it was seeking arms through commercial channels abroad. The Ambassador warns that it is conceivable that the Yugoslav Government might feel called on to deny, during US Congressional hearings that it has sought arms from the US on other than a commercial basis, leaving the implication that the US was pressing arms on a reluctant recipient. In Allen's opinion, the Yugoslav Government may still be hesitant, primarily for internal Party reasons, to make an outright request for arms on a non-commercial basis, although it would make such a commitment if the US let it be known that no action could be taken on any other basis.

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SECTION 2 (EASTERN)

"B" CHINA. Rau Suggests Declaration on Non-crossing of Parallel. Indian delegate Rau has informally suggested to members of the Good Offices Committee (GOC) that the General Assembly make an overture to the Chinese and Korean Communists regarding the non-crossing of the 38th Parallel. Rau proposes that, after General Assembly adoption of a selective embargo resolution, the GA declare that UN forces would not cross the 38th Parallel if the Chinese and Korean Communist authorities would issue a similar declaration. Members of the GOC feel that Rau has no clear conception of means by which to ensure the security of UN forces in Korea and prevent a Communist build-up. COMMENT: The Communists have not indicated any willingness to modify their demand for complete withdrawal of UN forces from Korea. It is conceivable that

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continued indecisive warfare in Korea, with continued heavy losses, would impel the Communists to agree not to cross the Parallel. However, the Chinese Communists, during the civil war in China, persistently employed such agreements as breathing-spells for fresh build-ups.

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SECTION 3 (WESTERN)

"B" FRANCE. French Demur at Increasing their Proposed Grant to Yugoslavia. The French Government intends to take up the Yugoslav economic aid question on the governmental level in Washington and London this week. In the course of the tripartite talks on this subject in London, France had reluctantly agreed to grant \$13 million (10% of the total from the US, the UK and France) to Yugoslavia because it was considered essential to have France associated with the US and the UK in this project. Developments in the London Conference now indicate that the French may be asked to increase their contribution to \$24 million, a sum which the Foreign Office feels is beyond current French capabilities. The Foreign Office, fearful lest the US and the UK go ahead without France, has made a strong request to Embassy Paris that no final decision be taken prior to receipt of the French Government's approach to Washington and London.

COMMENT: French acceptance of the principle of grant aid included a statement that France could not be expected to give much more than the \$8 million minimum originally suggested. Despite French sensitivity on the point of French prestige, Premier Queuille's desire to leave a free hand for his successor will probably prevent any greater French commitments in this pre-election period, and the increasing burden of the defense effort will seriously limit possibilities for a larger contribution by the Assembly-elect.

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